

To: Chief Fiscal Officers
Vice Chancellors
Business Officers

Subject: *Schedule of Expenditures of Federal Awards*
Single Audit Findings Follow-up

Attached is the June 30, 1998 federal reporting package, which incorporates the Single Audit Act Amendments of 1996. If your organization has disbursed federal funds during the 1997-98 fiscal year, please review this material carefully.

As part of the **OMB Circular A-133** requirements, you will need to provide the following information to the State Controller:

Letter of Representation

Information Sheet for Data Collection Form (**FED 1**)

Federal Employer ID Number

Responsible Official

Reporting Package Preparer

Schedule of Expenditures of Federal Awards (Sample Schedule Provided) (**FED 2 - FED 5**)

Audit Findings Follow-up (format provided) (**FED 6**)

Note Disclosure Worksheets (**FED 12**)

Subrecipient Monitoring (Circular A-133)

Pass-through entity responsibilities. A pass-through entity shall perform the following for the Federal awards it makes:

- (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
- (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.
- (4) Ensure that subrecipients expending \$300,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year.
- (5) Issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action.
- (6) Consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records.
- (7) Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part.

If you have any questions or comments, please call **John Barfield** at (919)981-5470, or send e-mail to jbarfiel@controller.osc.state.nc.us.